

accordance with his religious faith, for permanent peace, designating a period during such day in which all the people of the United States may unite in prayer for a permanent peace; calling upon all the people of the United States to unite in prayer at such time; and calling upon the newspapers, radio stations, and all other mediums of information to join in observing such day and period of prayer.

Approved May 26, 1949.

[CHAPTER 145]

AN ACT

To amend the War Claims Act of 1948.

May 27, 1949

[S. 326]

[Public Law 75]

50 U. S. C., Supp.  
II, app. §§ 2001-2013.  
62 Stat. 1241.  
50 U. S. C., Supp.  
II, app. § 2001 (c).

62 Stat. 1245.  
50 U. S. C., Supp.  
II, app. § 2007 (a).

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the War Claims Act of 1948 (62 Stat. 1240) is amended in the following respects:

1. The last sentence of section 2 (c) is amended to read as follows: "The limit of time within which claims may be filed with the Commission shall in no event be later than March 1, 1951."

2. Section 8 (a) is amended by striking out the words "March 31, 1949" and inserting in lieu thereof "March 31, 1950".

Approved May 27, 1949.

[CHAPTER 146]

AN ACT

To provide additional revenue for the District of Columbia.

May 27, 1949

[H. R. 3704]

[Public Law 76]

District of Colum-  
bia Revenue Act of  
1949.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act divided into titles and sections may be cited as the "District of Columbia Revenue Act of 1949" and title I of this Act may be cited as the "District of Columbia Sales Tax Act" and title II of this Act may be cited as the "District of Columbia Use Tax Act".

District of Colum-  
bia Sales Tax Act.

TITLE I—GROSS SALES TAX

DEFINITIONS

"Assessor."

SECTION 101. "Assessor" means the Assessor of the District or his duly authorized representatives.

"Business."

SEC. 102. "Business" includes any activity engaged in by any person or caused to be engaged in by him with the object of gain, benefit, or advantage, either direct or indirect.

"Collector."

SEC. 103. "Collector" means the Collector of Taxes of the District or his duly authorized representatives.

"Commissioners."

SEC. 104. "Commissioners" means the Commissioners of the District or their duly authorized representatives.

"District."

SEC. 105. "District" means the District of Columbia.

"Engaging in busi-  
ness."

SEC. 106. "Engaging in business" means commencing, conducting, or continuing in business, as well as liquidating a business when the liquidator thereof holds himself out to the public as conducting such a business.

"Food."

SEC. 107. "Food" means cereals and cereal products; milk and milk products, including ice cream; meat and meat products; fish and fish products; eggs and egg products; vegetables and vegetable products; fruit, fruit products, and fruit juices; bottled soft drinks; spices and salt; flavoring extracts and condiments; sugar and sugar products; coffee and coffee substitutes; tea; cocoa and cocoa products; and ice when used for household consumption: *Provided, however*, That the

word "food" shall not include spiritous or malt liquors, beer, and any other beverages such as are ordinarily dispensed at bars and soda fountains or in connection therewith.

SEC. 108. "Gross receipts" means the total amount of the sales prices of the retail sales of vendors, valued in money, whether received in money or otherwise.

"Gross receipts."

SEC. 109. "Person" includes an individual, partnership, society, club, association, joint-stock company, corporation, estate, receiver, trustee, assignee, or referee, and any other person acting in a fiduciary or representative capacity, whether appointed by a court or otherwise, and any combination of individuals acting as a unit.

"Person."

SEC. 110. "Purchaser" includes a person who purchases property or to whom are rendered services, receipts from which are taxable under this title.

"Purchaser."

SEC. 111. "Purchaser's certificate" means a certificate signed by a purchaser and in such form as the Assessor shall prescribe, stating the purpose to which the purchaser intends to put the subject of the sale, or the status or character of the purchaser.

"Purchaser's certificate."

SEC. 112. "Retailer" includes—

"Retailer."

(a) every person engaged in the business of making sales at retail;

(b) every person engaged in the business of making retail sales at auction of tangible personal property owned by the person or others;

(c) every person engaged in the business of making sales for storage, use, or other consumption, or in the business of making sales at auction of tangible personal property owned by the person or others for storage, use, or other consumption.

SEC. 113. "Retail establishment" means any premises in which the business of selling tangible personal property is conducted or in or from which any retail sales are made.

"Retail establishment."

SEC. 114. (a) "Retail sale" and "sale at retail" mean the sale in any quantity or quantities of any tangible personal property or service taxable under the terms of this title. Said term shall mean all sales of tangible personal property to any person for any purpose other than those in which the purpose of the purchaser is to resell the property so transferred in the form in which the same is, or is to be, received by him, or to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining. For the purpose of the tax imposed by this title, these terms shall include but shall not be limited to the following:

"Retail sale"; "sale at retail."

(1) The sale for consumption of any meals, food or drink, or other tangible personal property for a consideration, at any restaurant, hotel, drug store, club, resort, or other place at which meals, food, drink, or other tangible personal property are sold.

(2) Any production, fabrication, or printing of tangible personal property on special order for a consideration.

(3) The sale or charges for any room or rooms, lodgings, or accommodations furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration.

(4) The sale of natural or artificial gas, oil, electricity, solid fuel, or steam, when made to any purchaser for purposes other than resale or for use in manufacturing, assembling, processing, or refining.

(5) The sale of material used in the construction, and of materials used in the repair or alteration, of real property, which materials, upon completion of such construction, alterations, or repairs, become

real property, regardless of whether or not such real property is to be sold or resold.

(6) The grant of the right to continuous possession or use of any article of tangible personal property granted under a lease or contract if such grant of possession would be taxable if outright sale were made; in such event such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rentals paid.

Exemptions.

(b) The term "retail sale" and "sale at retail" shall not include the following:

- (1) Sales of tickets for admission to places of amusement and sports.
- (2) Sales of transportation and communication services.
- (3) Professional, insurance, or personal service transactions which involve sales as inconsequential elements for which no separate charges are made.

(4) Any sale in which the only transaction in the District is the mere execution of the contract of sale and in which the tangible personal property sold is not in the District at the time of such execution: *Provided, however,* That nothing contained in this subsection shall be construed to be an exemption from the tax imposed under title II of this Act.

Post, p. 124.

"Return."

SEC. 115. "Return" includes any return filed or required to be filed as herein provided.

"Sales price."

SEC. 116. (a) "Sales price" means the total amount paid by a purchaser to a vendor as consideration for a retail sale, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:

- (1) The cost of the property sold.
- (2) The cost of materials used, labor or service cost, interest charged, losses, or any other expenses.

(3) The cost of transportation of the property prior to its sale at retail. The total amount of the sales price includes all of the following: a. Any services that are a part of the sale. b. Any amount for which credit is given to the purchaser by the vendor.

Exemptions.

(b) The term "sales price" does not include any of the following:

- (1) Cash discounts allowed and taken on sales.
- (2) The amount charged for property returned by purchasers to vendors upon rescission of contracts of sale when the entire amounts charged therefor are refunded either in cash or credit, and when the property is returned within ninety days from the date of sale.
- (3) The amount charged for labor or services rendered in installing or applying the property sold.

(4) The amount of reimbursement of tax paid by the purchaser to the vendor under this title.

(5) Transportation charges separately stated, if the transportation occurs after the sale of the property is made.

"Sale"; "selling."

SEC. 117. "Sale" and "selling" mean any transaction whereby title or possession, or both, of tangible personal property is or is to be transferred by any means whatsoever for a consideration by a vendor to a purchaser, or any transaction whereby services subject to tax under this title are rendered for consideration or are sold to any purchaser by any vendor, and shall include, but not be limited to, any "sale at retail" as defined in this title. Such consideration may be either in the form of a price in money, rights, or property, or by exchange or barter, and may be payable immediately, in the future, or by installments.

"Semipublic institution."

SEC. 118. "Semipublic institution" means any corporation, and any community chest, fund, or foundation, organized exclusively for

religious, scientific, charitable, or educational purposes, including hospitals, no part of the net earnings of which inures to the benefit of any private shareholder or individual. For the purpose of this title an organization or institution which does not embrace the generally recognized relationship of teacher and student shall be deemed not to be operated for educational purposes.

SEC. 119. "Tangible personal property" means corporeal personal property of any nature.

"Tangible personal property."

SEC. 120. "Tax" means the tax imposed by this title.

"Tax."

SEC. 121. "Taxpayer" means any person required by this title to make returns or to pay the tax imposed by this title.

"Taxpayer."

SEC. 122. "Tax year" means the calendar year, or the taxpayer's fiscal year if it be other than the calendar year when such fiscal year is regularly used by the taxpayer for the purpose of reporting District income taxes as the tax period in lieu of the calendar year.

"Tax year."

SEC. 123. "Vendor" includes a person or retailer selling property or rendering services upon the receipts from which a tax is imposed under this title.

"Vendor."

SEC. 124. The foregoing definitions shall be applicable whenever the words defined are used in this title unless otherwise required by the context.

#### IMPOSITION OF TAX

SEC. 125. Beginning on and after the first day of the first month succeeding the sixtieth day after the approval of this Act, for the privilege of selling certain tangible personal property at retail sale and for the privilege of selling certain selected services defined as sales at retail in this title, a tax is hereby imposed upon all vendors at the rate of 2 per centum of the gross receipts of any vendor from the sale of such tangible personal property and services.

#### REIMBURSEMENT FOR THE TAX

SEC. 126. Reimbursement for the tax imposed upon the vendor shall be collected by the vendor from the purchaser on all sales the gross receipts from which are subject to the tax imposed by this title so far as it can be done. It shall be the duty of each purchaser in the District to reimburse the vendor, as provided in section 127 of this title, for the tax imposed by this title. Such reimbursement of tax shall be a debt from the purchaser to the vendor and shall be recoverable at law in the same manner as other debts.

*Infra.*

#### RATE OF TAX TO BE COLLECTED BY VENDOR

SEC. 127. For the purpose of collecting his reimbursement as provided in section 126 of this title insofar as it can be done and yet eliminate the fractions of a cent, the vendor shall add to the sales price and collect from the purchaser the following amounts:

*Supra.*

(a) On each sale where the sales price is from 14 cents to 63 cents, both inclusive, 1 cent;

(b) On each sale where the sales price is from 64 cents to \$1.13, both inclusive, 2 cents;

(c) On each 50 cents of sales price or fraction thereof in excess of \$1.13, 1 cent.

#### EXEMPTIONS

SEC. 128. Gross receipts from the following sales shall be exempt from the tax imposed by this title:

(a) Sales to the United States or the District or any instrumentality thereof.

"State."

(b) Sales to a State or any of its political subdivisions if such State grants a similar exemption to the District. As used in this subsection, the term "State" means the several States, Territories, and possessions of the United States.

(c) Sales to a semipublic institution: *Provided, however*, That such sales shall not be exempt unless (1) such institution shall have first obtained a certificate from the Assessor stating that it is entitled to such exemption, and (2) the vendor keeps a record of the sales price of each such separate sale, the name of the purchaser, the date of each such separate sale, and the number of such certificate.

(d) (1) Sales of food for human consumption off the premises where such food is sold.

(2) Sales of any food sold for human consumption in hotels, restaurants, cafes, bars, and other establishments where the sales price of the food furnished each individual patron, including any cover, minimum, entertainment, or other charge, is \$1.25 or less: *Provided, however*, That the gross proceeds from all such sales where the sales price to the individual patron is more than \$1.25 shall be subject to the tax imposed by this title without any deductions from such gross proceeds by virtue of the provisions of this subsection: *And provided further*, That the provisions of this title with respect to reimbursement for the tax imposed shall be applicable to every such sale where the sales price to the individual patron is more than \$1.25 without regard to the provisions of this subsection.

43 Stat. 106,  
D. C. Code §§ 47-  
1901 to 47-1916; Supp.  
VII, § 47-1901b *et seq.*

(e) Sales of motor-vehicle fuels upon the sale of which a tax is imposed by the Act entitled "An Act to provide for a tax on motor-vehicle fuels sold within the District of Columbia, and for other purposes", approved April 23, 1924, as amended or as may be hereafter amended.

(f) Sales of property purchased by a utility or public-service company for use or consumption in furnishing a commodity or service: *Provided*, That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District during or for the period of time covered by any return required to be filed by the provisions of this title.

*Ante*, p. 114.

(g) Sales of newspapers and publications of semipublic institutions as defined in section 118.

(h) Casual and isolated sales by a vendor who is not regularly engaged in the business of making sales at retail.

(i) Sales of livestock, poultry, seeds, feeds for livestock and poultry, fertilizers, lime, and land plaster used for agricultural purposes.

(j) Sales of food or beverages of any nature if made in any car composing a part of any train or in any aircraft or boat operating within the District in the course of commerce between the District and a State.

(k) Sales of goods made pursuant to bona fide contracts entered into before the date of approval of this Act: *Provided*, That there is a contract in writing signed by the purchaser and vendor which imposes an unconditional liability on the part of the purchaser to buy the goods covered thereby at a fixed price and without escalator clause, and an unconditional liability on the part of the vendor to deliver a definite quantity of such goods at the contract price.

(l) Sales of natural or artificial gas, oil, electricity, solid fuel, or steam, directly used in manufacturing, assembling, processing, or refining.

(m) Sales which a State would be without power to tax under the limitations of the Constitution of the United States.

(n) Sales of motor vehicles and trailers.

(o) Sales of medicines, pharmaceuticals, and drugs whether or not made on prescriptions of duly licensed physicians and surgeons and general and special practitioners of the healing art.

(p) Sales of crutches, wheel chairs for the use of cripples and invalids, and, when designed to be worn on the person of the purchaser or user, artificial limbs, artificial eyes, and artificial hearing devices; sales of false teeth by a dentist and the materials used by a dentist in dental treatment; sales of eyeglasses, when especially designed or prescribed by an ophthalmologist, oculist, or optometrist for the personal use of the owner or purchaser; and sales of artificial braces and supports designed solely for the use of crippled persons.

(q) Sales of cigarettes.

#### COLLECTION OF TAX

SEC. 129. Upon each sale of tangible personal property or services, the gross receipts from which are taxable under this title, the reimbursement of tax to be collected by the vendor from the purchaser under the provisions of this title shall be stated and charged separately from the sales price and shown separately on any record thereof at the time the sale is made or evidence of sale issued or employed by the vendor.

SEC. 130. It shall be presumed that all receipts from the sale of tangible personal property and services mentioned in this title are subject to tax until the contrary is established, and the burden of proving that a receipt is not taxable hereunder shall be upon the vendor or the purchaser as the case may be. Except as provided in section 128 (c) of this title, unless the vendor shall have taken from the purchaser a certificate signed by and bearing the name and address of the purchaser and the number of his registration certificate to the effect that the property or service was purchased for resale, the receipts from all sales shall be deemed taxable. The certificate herein required shall be in such form as the Assessor shall prescribe and, in case no certificate is furnished or obtained prior to the time the sale is consummated, the tax shall apply to the gross receipts therefrom as if the sale were made at retail.

*Ante*, p. 116.

SEC. 131. The tax imposed by this title and interest and penalties thereon shall become, from the time due and payable, a personal debt of the person liable to pay the same to the District. An action may be brought at any time within three years from the time the tax shall be due and payable in the name of the District to recover the amount of any taxes, penalties, and interest due under the provisions of this title, but such actions shall be utterly barred after the expiration of the aforesaid three years.

SEC. 132. Whenever the business or property of any person subject to tax under the terms of this title, shall be placed in receivership or bankruptcy, or assignment is made for the benefit of creditors, or if said property is seized under distraint for property taxes, all taxes, penalties, and interest imposed by this title for which said person is in any way liable shall be a prior and preferred claim. Neither the United States marshal, nor a receiver, assignee, or any other officer shall sell the property of any person subject to tax under the terms of this title under process or order of any court without first determining from the Collector the amount of any such taxes due and payable by said person, and if there be any such taxes due, owing, or unpaid under this title it shall be the duty of such officer to first pay to the Collector the amount of said taxes out of the proceeds of said sale before making any payment of any moneys to any judgment creditor

Business placed in  
bankruptcy.

or other claimants of whatsoever kind or nature. Any person charged with the administration or distribution of any such property as aforesaid who shall violate the provisions of this section shall be personally liable for any taxes accrued and unpaid which are chargeable against the person otherwise liable for tax under the terms of this section.

SEC. 133. The taxes imposed by this title and penalties and interest thereon may be collected by the Collector in the manner provided by law for the collection of taxes due the District on personal property in force at the time of such collection; and liens for the taxes imposed by this title and penalties thereon may be acquired in the same manner that liens for personal property taxes are acquired. If the Assessor believes that the collection of any tax imposed by this Act will be jeopardized by delay, he shall, whether or not the time otherwise prescribed by law for making return and paying such tax has expired, immediately assess such tax (together with all interest and penalties, the assessment of which is provided for by law). Such tax, penalties, and interest shall thereupon become immediately due and payable, and immediate notice and demand shall be made by the Collector for the payment thereof. Upon failure or refusal to pay such tax, penalty, and interest, collection thereof by distraint shall be lawful.

#### UNLAWFUL ADVERTISING

SEC. 134. It shall be unlawful for any vendor to advertise or hold out or state to the public or to any customer directly or indirectly that the reimbursement of tax or any part thereof to be collected by the vendor under this title will be assumed or absorbed by the vendor or that it will not be added to the selling price of the property sold or the taxable services rendered, or if added to said price that it, or any part thereof, will be refunded. Any person violating any provision of this section shall upon conviction be fined not more than \$500 or imprisoned for not more than six months, or both, for each offense.

#### RETURNS AND PAYMENT OF TAX

Monthly return.

SEC. 135. (a) On or before the twentieth day of each calendar month, every vendor who has made any sale at retail, taxable under the provisions of this title, during the preceding calendar month, shall file a return with the Assessor. Such returns shall show the total gross proceeds of the vendor's business for the month for which the return is filed; the gross receipts of the business of the vendor upon which the tax is computed; the amount of tax for which the vendor is liable and such other information as the Assessor deems necessary for the computation and collection of the tax.

(b) The Assessor may permit or require the returns to be made for other periods and upon such other dates as he may specify: *Provided*, That the gross receipts during any tax year shall be included in returns covering such year and no other.

(c) The form of returns shall be prescribed by the Assessor and shall contain such information as he may deem necessary for the proper administration of this title. The Assessor may require amended returns to be filed within twenty days after notice and to contain the information specified in the notice.

SEC. 136. (a) At the time of filing his return as provided by this title, the taxpayer shall pay to the Collector the taxes imposed by this title.

(b) The taxes for the period for which a return is required to be filed by a vendor under this title shall be due by the vendor and payable to the Collector on the date limited for the filing of the

return for such period, without regard to whether a return is filed or whether the return which is filed correctly shows the amount of gross receipts and taxes due thereon.

SEC. 137. On or before thirty days after the end of the tax year of each vendor required to pay to the Collector the tax imposed by the provisions of this title, such vendor shall make an annual return for such tax year in such form as may be required by the Assessor. The Assessor for good cause shown may on the written application of a vendor extend the time for making any return required by this section.

Annual return.

#### SECRECY OF RETURNS

SEC. 138. (a) Except to any official of the District, having a right thereto in his official capacity, it shall be unlawful for any officer or employee of the District to divulge or make known in any manner the amount of gross proceeds or any particulars relating thereto or the computation thereof set forth or disclosed in any return required to be filed under this title, and neither the original nor a copy of any such return desired for use in litigation in court shall be furnished where neither the District nor the United States is interested in the result of such litigation, whether or not the request is contained in an order of the court: *Provided, however*, That nothing herein contained shall be construed to prevent the furnishing to a taxpayer a copy of his return upon the payment of a fee of \$2.

(b) Nothing contained in subsection (a) of this section shall be construed to prohibit the publication of notices authorized in this title, or the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof, or the publication of delinquent lists showing the names of persons, vendors, or purchasers who have failed to pay the taxes imposed by this title within the time prescribed herein, together with any relevant information which in the opinion of the Assessor may assist in the collection of such delinquent taxes.

Publication of statistics, etc.

(c) Nothing contained in subsection (a) of this section shall be construed to prohibit the Assessor, in his discretion, from divulging or making known any information contained in any report, application, or return required under the provisions of this title other than such information as may be contained therein relating to the amount of gross proceeds or tax thereon or any particulars relating thereto or the computation thereof.

(d) Any violation of the provisions of subsection (a) of this section shall be punishable by a fine not exceeding \$1,000 or imprisonment for six months, or both, in the discretion of the court.

Penalty.

(e) Notwithstanding the provisions of this section, the Assessor may permit the proper officer of the United States or of any State or Territory of the United States or his authorized representative to inspect the returns filed under this title, or may furnish to such officer or representative a copy of any such return, provided the United States, State, or Territory grants substantially similar privileges to the Assessor or his representative or to the proper officer of the District charged with the administration of this title.

Inspection of returns.

(f) All reports, applications, and returns received by the Assessor under the provisions of this title shall be preserved for three years and thereafter until the Assessor orders them to be destroyed.

Preservation of returns.

#### DETERMINATION OF TAX

SEC. 139. If a return required by this title is not filed, or if a return when filed is incorrect or insufficient, the amount of tax due shall be



determined by the Assessor from such information as may be obtainable. Notice of such determination shall be given to the taxpayer. Such determination shall finally and irrevocably fix the tax unless the person against whom it is assessed, within thirty days after the giving of notice of such determination, shall apply in writing to the Assessor for a hearing, or unless the Assessor of his own motion shall redetermine the same. After such hearing or redetermination the Assessor shall give notice of his final determination to the person against whom the tax is assessed.

#### REFUNDS

*Ante*, p. 119.

SEC. 140. (a) Except as to any tax finally determined as provided in section 139, where any tax has been erroneously or illegally collected, the tax shall be refunded if application under oath is filed with the Assessor for such refund within one year from the payment thereof. For like cause and within the same period a refund may be made upon the certificates of the Assessor and the Collector. Whenever a refund is made upon the certificates of the Assessor and the Collector, the Assessor and Collector shall state their reasons therefor in writing. Such application may be made by the person upon whom such tax was imposed and who has actually paid the tax. When an application is made by a vendor who has collected reimbursement of such tax, no actual refund of moneys shall be made to such vendor, until he shall first establish to the satisfaction of the Assessor, under such regulations as the Commissioners may prescribe, that the vendor has repaid to the purchaser the amount for which the application for refund is made. In lieu of any refund required to be made, a credit may be allowed therefor on payment due from the applicant.

(b) Application for a refund or credit made as herein provided shall be deemed an application for a revision of any tax, penalty, or interest complained of and the Assessor may receive evidence with respect thereto. After making his determination of whether any refund shall be made, the Assessor shall give notice thereof to the applicant.

#### APPEALS

SEC. 141. (a) Any vendor or purchaser aggrieved by a final determination of tax or denial of an application for refund of any tax may, within ninety days from the date of the final determination of the tax or from the date of the denial of an application for refund, as the case may be, appeal to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, and 11 of title IX of the Act entitled "An Act to amend the District of Columbia Revenue Act of 1937, and for other purposes", approved August 17, 1937, as amended, and as the same may hereafter be amended. The remedy provided in this section shall not be deemed to take away from the taxpayer any remedy which he might have under any other provision of law, but no suit by the taxpayer for the recovery of any part of any tax shall be instituted in any court if the taxpayer has elected to file an appeal with respect to such tax with the Board of Tax Appeals for the District of Columbia.

52 Stat. 371, 374, 375.  
D. C. Code §§ 47-2403, 47-2404, 47-2407  
to 47-2411.

*Overpayments.*

(b) If it shall be determined by the Assessor, the Board of Tax Appeals for the District of Columbia, or any court having jurisdiction over the subject matter, that any part of any tax which was assessed as a deficiency, and any interest thereon paid by the taxpayer, was an overpayment, interest shall be allowed and paid upon such overpayment of tax at the rate of 4 per centum per annum from the date such overpayment was paid until the date of refund.

## SALES IN BULK

SEC. 142. Whenever there is made a sale, transfer, or assignment in bulk of any part or the whole of a stock of merchandise or of fixtures, or of merchandise and of fixtures, pertaining to the conducting of the business of the seller, transferor, or assignor, otherwise than in the ordinary course of trade and in the regular prosecution of said business, the purchaser, transferee, or assignee shall at least five days before taking possession of such merchandise, fixtures, or merchandise and fixtures, or paying therefor, notify the Assessor by registered mail of the proposed sale and of the price, terms, and conditions thereof, irrespective of whether or not the seller, transferor, or assignor has represented to or informed the purchaser, transferee, or assignee that he owes any tax pursuant to this title or whether he has complied with section 1 of the Act entitled "An Act to prevent the fraudulent sale of merchandise in the District of Columbia", approved April 28, 1904, or whether or not he has knowledge that such taxes are owing, or whether any such taxes are in fact owing.

33 Stat. 555.  
D. C. Code § 28-  
1701.

(b) Whenever the purchaser, transferee, or assignee shall fail to give the notice to the Assessor as required by the preceding section, or whenever the Assessor shall inform the purchaser, transferee, or assignee that a possible claim for such tax or taxes exists, any sums of money, property, or choses in action, or other consideration, which the purchaser, transferee, or assignee is required to transfer over to the seller, transferor, or assignor shall be subject to a first priority right and lien for any such taxes theretofore or thereafter determined to be due from the seller, transferor, or assignor to the District, and the purchaser, transferee, or assignee is forbidden to transfer to the seller, transferor, or assignor any such sums of money, property, or choses in action to the extent of the amount of the District's claim. For failure to comply with the provisions of this section, the purchaser, transferee, or assignee shall be personally liable for the payment to the District of any such taxes theretofore or thereafter determined to be due to the District from the seller, transferor, or assignor, and such liability may be assessed and enforced in the same manner as the liability for tax under this title.

## REGULATIONS

SEC. 143. In addition to the powers granted to the Commissioners in this title, they are hereby authorized and empowered to make, adopt, and amend rules and regulations appropriate to the carrying out of this title and the purposes thereof.

SEC. 144. In addition to the powers granted to the Assessor in this title, he is hereby authorized and empowered—

Additional author-  
ity of Assessor.

(a) to extend for cause shown the time of filing any return for a period not exceeding thirty days; and for cause shown, to remit penalties and interest in whole or in part except as otherwise provided in this title; and to compromise disputed claims in connection with the taxes hereby imposed;

(b) to request information from the Bureau of Internal Revenue of the Treasury Department of the United States relative to any person for the purpose of assessing taxes imposed by this title; and said Bureau of Internal Revenue is authorized and required to supply such information as may be requested by the Assessor relative to any person for the purpose herein provided;

(c) to prescribe methods for determining the gross proceeds from sales made or services rendered and for the allocation of such sales into taxable and nontaxable sales;

(d) to require any vendor selling to persons within the District to keep detailed records of the nature and value of personal property sold for use within the District, and to furnish such information upon request to the Assessor;

(e) to assess, determine, revise, and readjust the taxes imposed under this title.

Examination of records, etc., by Assessor.

SEC. 145. The Assessor, for the purpose of ascertaining the correctness of any return filed as required by this title, or for the purpose of making a return where none has been made, is authorized to examine any books, papers, records, or memoranda, or any person bearing upon the matters required to be included in the return and may summon any person to appear before him and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return and to give testimony or answer interrogatories under oath respecting the same, and the Assessor, or his duly authorized representative, shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person, having been personally summoned, shall neglect or refuse to obey the summons issued as herein provided, then in that event the Assessor, or the Deputy Assessor, may report that fact to the United States District Court for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to said summons to the same extent as witnesses may be compelled to obey the subpoenas of that court. Any person in custody or control of any books, papers, records, or memoranda bearing upon the matters required to be included in such returns, who shall refuse to permit the examination by the Assessor or any person designated by him of any such books, papers, records, or memoranda, or who shall obstruct or hinder the Assessor or any person designated by him in the examination of any books, papers, records, or memoranda, shall upon conviction thereof be fined not more than \$500 or imprisoned for not more than six months, or both, for each offense.

Penalty.

#### REGISTRATION

SEC. 146. (a) No person shall engage or continue to engage in the business of making any retail sales subject to tax under the provisions of this title without having obtained a certificate of registration therefor. If two or more persons constitute a single vendor as defined in this title, such persons may operate a single retail establishment under one certificate of registration and in such case neither the death or retirement of one or more of such persons from business in such establishment nor the entrance of one or more persons therein shall affect the certificate of registration for a period of sixty days or require the issuance of a new certificate until the expiration of such period.

(b) Each applicant for a certificate required by this section shall make out and deliver to the Assessor, upon a blank to be furnished by him for that purpose, a statement showing the name of the applicant, each retail establishment where the applicant's business is to be conducted, the kind or nature of such business and such other information as the Assessor may prescribe. Upon receipt of such application the Assessor shall issue the applicant, without charge, a certificate of registration for each retail establishment designated in the application, authorizing the applicant to engage in business at such retail establishment. The certificate of registration shall be nontransferable except as otherwise provided in this title, and shall be displayed in the applicant's place of business. The form of such certificate of registration shall be prescribed by the Assessor.

(c) In the case of a vendor who has no fixed place of business and sells from one or more vehicles, each such vehicle shall constitute a retail establishment for the purpose of this title. In the case of a vendor who has no fixed place of business and does not sell from a vehicle, the application for a certificate of registration shall set forth the address to which any notice or other communication authorized by this title may be sent to the applicant, and the place so designated shall constitute a retail establishment for the purposes of this title.

(d) Whoever engages in the business of selling tangible personal property at retail, or makes any sale which is subject to tax under the provisions of this title without having a certificate of registration therefor, as required by this section, shall, upon conviction thereof, be fined not more than \$100.

#### PENALTIES AND INTEREST

SEC. 147. (a) Any person failing to file a return or who files a false or incorrect return or who fails to pay any tax to the Collector within the time required by this title shall be subject to a penalty of 5 per centum of the amount of tax due, plus interest at the rate of 1 per centum of such tax for each month of delay excepting the first month after such return was required to be filed or such tax became due; but the Assessor, if satisfied that the delay was excusable, may waive all or any part of such penalty in excess of interest at the rate of 6 per centum per year. Unpaid penalties and interest may be collected in the same manner as the tax imposed by this title. The interest provided for in this section shall be applicable to any tax determined by the Assessor as a deficiency.

(b) The certificate of the Collector or Assessor, as the case may be, to the effect that a tax has not been paid, that a return has not been filed, or a registration certificate has not been obtained, or that information has not been supplied pursuant to the provisions of this title, shall be presumptive evidence thereof: *Provided*, That the presumptions created by this subsection shall not be applicable in criminal prosecutions.

#### PENALTY FOR FAILURE TO FILE RETURNS, AND SO FORTH

SEC. 148. (a) Any person required to file a return or report or perform any act under the provisions of this title who shall fail or neglect to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than \$300 for each and every failure or neglect. The penalty provided herein shall be in addition to the other penalties provided in this title.

(b) Any person required to file a return or report or perform any act under the provisions of this title who willfully fails or refuses to file such return or report or perform such act within the time required shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both. The penalty provided herein shall be in addition to the other penalties provided in this title.

#### ASSESSMENT, REASSESSMENT, FALSE AND INCORRECT RETURNS

SEC. 149. The Assessor shall determine, redetermine, assess, or reassess, any tax imposed by this title, except in cases where the tax is correct as computed in any return filed with the Assessor, within three years after the filing of any return, except as follows:

(a) In the case of a false return, or a failure to file a return, whether in good faith or otherwise, the tax may be assessed at any time.

(b) In the case of an incorrect return which has not been prepared as required by this title and by the return and instructions, rules, or regulations applicable thereto, the tax shall be assessed or reassessed within five years after the filing of such return.

#### PROSECUTIONS

SEC. 150. All prosecutions under this title shall be brought in the municipal court for the District of Columbia on information by the Corporation Counsel of the District in the name of the District of Columbia.

#### NOTICES

SEC. 151. Any notice authorized or required under the provisions of this title may be given by mailing the same to the person for whom it is intended in an envelope, postage prepaid, addressed to such person at the address given in the last return filed by him pursuant to the provisions of this title or, if no return has been filed, then to the last address of such person. If the address of any person is unknown, such notice may be published in one or more of the daily newspapers in the District of Columbia for three successive days. The cost of any such advertisement in newspapers shall be added to the tax. The proof of mailing of any notice required or authorized in this title shall be presumptive evidence of the receipt of such notice by the person to whom addressed. The proof of publishing any notice required in this title in one or more of the daily newspapers in the District shall be conclusive notice to the person for whom such notice is intended.

#### EXTENSIONS OF TIME

SEC. 152. Where, before the expiration of the period prescribed herein for the assessment or redetermination of an additional tax, a taxpayer has consented in writing that such period be extended, the amount of such tax due may be determined at any time within such extended period. The period so extended may be further extended by subsequent consents in writing made before the expiration of the extended period.

District of Colum-  
bia Use Tax Act.

## TITLE II—COMPENSATING-USE TAX

#### DEFINITIONS

"Retail sale"; "sale  
at retail"; "sold at  
retail."

SECTION 201. (a) "Retail sale", "sale at retail", and "sold at retail" means all sales in any quantity or quantities of tangible personal property, whether made within or without the District, and services, to any person for the purpose of use, storage, or consumption, within the District, taxable under the terms of this title. These terms shall mean all sales of tangible personal property to any person for any purpose other than those in which the purpose of the purchaser is to resell the property so transferred in the form in which the same is, or is to be, received by him, or to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining. For the purpose of the tax imposed by this title, these terms shall include, but shall not be limited to, the following:

(1) Any production, fabrication, or printing of tangible personal property on special order for a consideration.

(2) The sale of natural or artificial gas, oil, electricity, solid fuel or steam, when made to any purchaser for purposes other than resale or for use in manufacturing, assembling, processing or refining.

(3) The sale of material used in the construction, and of materials used in the repair or alteration, of real property, which materials, upon completion of such construction, alterations, or repairs, become real property, regardless of whether or not such real property is to be sold or resold.

(4) The grant of the right to continuous possession or use of any article of tangible personal property granted under a lease or contract if such grant of possession would be taxable if outright sale were made; in such event such lease or contract shall be considered the sale of such article and the tax shall be computed and paid by the vendor upon the rentals paid.

(b) The terms "retail sale", "sale at retail", and "sold at retail" shall not include the following:

Exemptions.

(1) Sales of tickets for admission to places of amusement and sports.

(2) Sales of transportation and communication services.

(3) Professional, insurance, or personal service transactions which involve sales as inconsequential elements for which no separate charges are made.

(4) Sales of tangible personal property which property was purchased or acquired by a nonresident prior to coming into the District and establishing or maintaining a temporary or permanent residence in the District. As used in this subsection, the word "residence" means a place in which to reside and does not mean "domicile".

(5) Sales of tangible personal property which property was purchased or acquired by a nonresident person prior to coming into the District and establishing or maintaining a business in the District.

(6) The use or storage within the District of tangible personal property owned and held by a common carrier or sleeping-car company for use principally without the District in the course of interstate commerce, or commerce between the District and a State, in or upon, or as part of, any train, aircraft, or boat.

SEC. 202. "Purchase" and "purchased" shall mean and include—

"Purchase"; "purchased."

(a) any transfer, either conditionally or absolutely, of title or possession or both of the tangible personal property sold at retail;

(b) any acquisition of a license or other authority to use, store, or consume, the tangible personal property sold at retail;

(c) any sale of services sold at retail.

SEC. 203. "Purchaser" means any person who shall have purchased tangible personal property or services sold at retail.

"Purchaser."

SEC. 204. "In the District" and "within the District" mean within the exterior limits of the District of Columbia and include all territory within such limits owned by the United States of America.

"In the District";  
"within the District."

SEC. 205. "Store" and "storage" mean any keeping or the retention of possession in the District for any purpose of tangible personal property purchased at retail sale.

"Store"; "storage."

SEC. 206. "Use" means the exercise by any person within the District of any right or power over tangible personal property and services sold at retail, whether purchased within or without the District by a purchaser from a vendor.

"Use."

SEC. 207. "Vendor" includes every person or retailer engaging in business in the District and making sales at retail as defined herein, whether for immediate or future delivery of the tangible personal property or performance of the services. When in the opinion of the Assessor it is necessary for the efficient administration of this title to regard any salesman, representative, peddler, or canvasser, as the agent of the dealer, distributor, supervisor, or employer, under whom he operates or from whom he obtains the tangible personal property sold or furnishes services, the Assessor may, in his discretion, treat and

"Vendor."

regard such agent as the vendor jointly responsible with his principal, employer, or supervisor, for the assessment and payment or collection of the tax imposed by this title.

"Engaging in business in the District."

SEC. 208. "Engaging in business in the District" includes the selling, delivering, or furnishing in the District, or any activity in the District in connection with the selling, delivering, or furnishing in the District, of tangible personal property or services sold at retail as defined herein. This term shall include but shall not be limited to the following acts or methods of transacting business:

(a) The maintaining, occupying or using, permanently or temporarily, directly or indirectly, or through a subsidiary or agent, by whatever name called, of any office, place of distribution, sales or sample room or place, warehouse or storage place, or other place of business.

(b) The having of any representative, agent, salesman, canvasser, or solicitor operating in the District for the purpose of making sales at retail as defined herein, or the taking of orders for such sales.

"Retailer."

SEC. 209. "Retailer" includes every person engaged in the business of making sales at retail.

Applicability of certain definitions.

SEC. 210. The definitions of "business", "food", "gross receipts", "person", "purchaser's certificate", "retail establishment", "return", "sale" and "selling", "sales price", "semipublic institution", "tangible personal property", "tax", "tax year", "taxpayer", "Assessor", "Collector", "Commissioners", and "District", as defined in title I of this Act, are hereby incorporated in and made applicable to this title.

*Ante*, p. 112.

SEC. 211. The foregoing definitions shall be applicable whenever the words defined are used in this title unless otherwise required by the context.

#### IMPOSITION OF TAX

SEC. 212. Beginning on and after the first day of the first month succeeding the sixtieth day after the approval of this Act, there is hereby imposed and there shall be paid by every vendor engaging in business in the District and by every purchaser a tax on the use, storage, or consumption of any tangible personal property and services sold or purchased at retail sale. The tax hereby imposed shall be at the rate of 2 per centum of the sales price of the tangible personal property or services rendered or sold.

#### PAYMENT OF TAX BY VENDOR

SEC. 213. Every vendor engaging in business in the District and making sales at retail shall, for the privilege of making such sales, pay to the Collector the tax imposed by this title. At the time of making such sales the vendor shall collect the tax from the purchaser and give to the purchaser a receipt therefor in such form as prescribed by the Assessor. For the purpose of uniformity of tax collection by the vendor engaging in business in the District and for other purposes the provisions of sections 126, 127, 129, and 130 of title I of this Act are hereby incorporated in and made applicable to this title.

*Ante*, pp. 115, 117.

SEC. 214. Every vendor or retailer not engaging in business in the District who makes sales at retail as defined in this title, and who upon application to the Collector has been expressly authorized to pay the tax imposed by this title, shall, at the time of making such sales, collect the reimbursement of the tax from the purchaser and give to the purchaser a receipt therefor in such form as prescribed by the Assessor. For the purpose of uniformity of tax collection by the vendor or retailer who has been expressly authorized to pay the tax under the provisions of this section and for other purposes, the provisions of sections 126, 127, 129, and 130 of title I of this Act are hereby

*Ante*, pp. 115, 117.

incorporated in and made applicable to this title. A permit shall be issued to such vendor or retailer, without charge, to pay the tax and collect reimbursement thereof as provided herein. Such permit may be revoked at any time by the Collector who shall thereupon give notice thereof to the vendor or retailer.

#### PAYMENT OF TAX BY PURCHASER

SEC. 215. If a purchaser has not reimbursed for the tax such vendors or retailers as are required or authorized to pay the tax, as the case may be, such purchaser shall file a return as hereinafter provided and pay to the Collector 2 per centum of the total sales prices of property and services purchased at retail sale.

#### EXEMPTIONS

SEC. 216. The tax imposed by this title shall not apply to the following:

- (a) Sales upon which taxes are imposed under title I of this Act.
- (b) Sales exempt from the taxes imposed under title I of this Act.
- (c) Sales upon which the purchaser has paid a retail sales tax or made reimbursement therefor to a vendor or retailer under the laws of any State or territory of the United States.

*Ante*, p. 112.

#### COLLECTION OF TAX

SEC. 217. The provisions of sections 131, 132, and 133 of title I of this Act are hereby incorporated in and made applicable to this title.

*Ante*, pp. 117, 118.

SEC. 218. Every vendor or retailer not engaging in business in the District who has been expressly authorized to pay the tax imposed by this title and collect reimbursement therefor, and every vendor engaging in business in the District, may, in the discretion of the Collector, be required to file with the Collector a bond not exceeding the amount of \$10,000 with such sureties as the Collector deems necessary, and for such duration not exceeding five years as the Collector deems necessary, conditioned upon the payment of the tax due from any vendor or retailer for any period covered by any return required to be filed under this title.

Filing of bond by vendor.

#### UNLAWFUL ADVERTISING

SEC. 219. The provisions of section 134 of title I of this Act are hereby incorporated in and made applicable to this title.

*Ante*, p. 118.

#### RETURNS AND PAYMENT OF THE TAX

SEC. 220. The provisions of sections 135, 136, 137, and 138 of title I of this Act are hereby incorporated in and made applicable to this title. Every vendor, and every vendor or retailer not engaging in business in the District who is expressly authorized to pay the tax, shall file returns and pay the tax in accordance with the provisions of such sections applicable to the filing of returns and the payment of the tax and as shall be prescribed by regulation.

*Ante*, pp. 118, 119.

SEC. 221. (a) Every purchaser who is required to pay a tax under this title shall file a return with the Assessor within twenty days after the end of each calendar month. Such returns shall show the total sales prices of all tangible personal property and services purchased at retail sale upon which the tax imposed has not been paid by the purchaser to vendors or retailers, the amount of tax for which the purchaser is liable, and such other information as the Assessor deems necessary for the computation and collection of the tax.

Monthly return.



(b) The Assessor may permit or require the returns of purchasers to be made for other periods and upon such other dates as he may specify.

(c) The return filed by a purchaser shall include the sales prices of all tangible personal property and services purchased at taxable retail sale during the calendar month or other period for which the return is filed and upon which the tax imposed has not been reimbursed by the purchaser to vendors or retailers.

(d) The form of returns shall be prescribed by the Assessor and shall contain such information as he may deem necessary for the proper administration of this title. The Assessor may require amended returns to be filed within twenty days after notice and to contain the information specified in the notice.

(e) At the time of filing his return as provided in this section the purchaser shall pay to the Collector the amount of tax for which he is liable as shown by such return.

(f) The taxes for the period for which a return is required to be filed under this section shall be due by the taxpayer and payable to the Collector on the date limited for the filing of the return for such period, without regard to whether a return is filed or whether the return which is filed correctly shows the amount of the total sales prices and taxes due thereon.

#### REGISTRATION

*Ante*, p. 122.

SEC. 222. The provisions of section 146 of title I of this Act are hereby incorporated in and made applicable to this title: *Provided*, That vendors and persons who have been issued certificates of registration under title I of this Act shall not be required to have such certificates under this title.

#### DETERMINATION OF TAX, REFUNDS, APPEALS, SALES IN BULK, REGULATIONS, PENALTIES AND INTEREST, PROSECUTIONS, FALSE AND INCORRECT RETURNS, NOTICES, AND SO FORTH

*Ante*, pp. 119-124.

SEC. 223. The provisions of sections 139, 140, 141, 142, 143, 144, 145, 147, 148, 149, 150, 151, and 152 of title I of this Act are hereby incorporated in and made applicable to this title.

District of Columbia Traffic Act, 1925, amendment.

#### TITLE III—EXCISE TAX UPON ISSUANCE OF TITLES TO MOTOR VEHICLES

43 Stat. 1121.  
D. C. Code § 40-603.

SECTION 301. An Act known as the "District of Columbia Traffic Act, 1925", approved March 3, 1925, as amended, is hereby further amended by adding to section 6 thereof the following subsection:

"(j) In addition to the fees and charges levied under other provisions of this Act, there is hereby levied and imposed an excise tax for the issuance of every original certificate of title for a motor vehicle or trailer in the District, and for the issuance of every subsequent certificate of title for a motor vehicle or trailer in the District in the case of sale or resale thereof, at the rate of 2 per centum of the fair market value of such motor vehicle or trailer at the time such certificate is issued, as determined by the Assessor of the District of Columbia or his duly authorized representatives. As used in this section, the term "original certificate of title" shall mean the first certificate of title issued by the District of Columbia for any particular motor vehicle or trailer. No certificate of title so issued shall be delivered or furnished to the person entitled thereto until the tax has been paid in full. The Assessor of the District of Columbia may require every applicant

"Original certificate of title."

for a certificate of title to supply such information as he deems necessary as to the time of purchase, the purchase price, and other information relative to the determination of the fair market value of any motor vehicle or trailer for which a certificate of title is required and issued. The issuance of certificates of title for the following motor vehicles and trailers shall be exempt from the tax imposed by this subsection:

“(1) Motor vehicles and trailers owned by the United States or the District of Columbia.

“(2) Motor vehicles and trailers purchased or acquired by non-residents prior to coming into the District of Columbia and establishing or maintaining residences in the District.

“(3) Motor vehicles and trailers purchased or acquired by non-residents prior to coming into the District of Columbia and establishing or maintaining a business or businesses in the District. Except as hereinafter provided, it is not intended to exempt from the tax the issuance of certificates of title for motor vehicles and trailers owned by nonresidents who are engaged in business in the District at the time of their purchase or acquisition of such vehicles and trailers and who use such vehicles and trailers in the conduct of their District business or businesses.

“(4) Motor vehicles and trailers owned by a utility or public service company for use in furnishing a commodity or service: *Provided*, That the receipts from furnishing such commodity or service are subject to a gross-receipts or mileage tax in force in the District of Columbia at the time of a certificate of title for any such vehicle or trailer is issued.”

SEC. 302. The provisions of this title shall be applicable with respect to all certificates of title issued on and after the first day of the first month succeeding the sixtieth day after the approval of this Act.

SEC. 303. Any person aggrieved by the assessment of any tax imposed by this title may, within ninety days from the date the person entitled to a certificate of title was notified of the amount of such tax, appeal to the Board of Tax Appeals for the District of Columbia in the same manner and to the same extent as set forth in sections 3, 4, 7, 8, 9, 10, and 11 of title IX of the Act entitled “An Act to amend the District of Columbia Revenue Act of 1937, and for other purposes”, approved August 17, 1937, as amended, and as the same may hereafter be amended. The remedy provided in this section shall not be deemed to take away from the person entitled to such certificate of title any remedy which he might have under any other provision of law, but no suit by such person for the recovery of a tax, or any part thereof, imposed by this title shall be instituted in any court if such person has elected to file an appeal with respect to such tax with the Board of Tax Appeals for the District of Columbia.

#### TITLE IV—AMENDMENTS TO ARTICLE I OF THE DISTRICT OF COLUMBIA REVENUE ACT OF 1947

SECTION 401. Article I of the District of Columbia Revenue Act of 1947, approved July 16, 1947, as amended, is further amended as follows:

Paragraph lettered (s) of section 4 of title I of Article I of said Act is amended to read as follows:

“(s) The word ‘resident’ means every individual domiciled within the District on the last day of the taxable year, and every other individual who maintains a place of abode within the District for more than seven months of the taxable year, whether domiciled in the

Exemptions.

Effective date.

Appeals.

52 Stat. 371, 374, 375.  
D. C. Code §§ 47-2403, 47-2404, 47-2407 to 47-2411.

61 Stat. 331.  
D. C. Code, Supp. VII, §§ 47-1551 to 47-1595.  
61 Stat. 333.  
D. C. Code, Supp. VII, § 47-1551c (s).  
“Resident.”

## Exemptions.

District or not. The word 'resident' shall not include any elective officer of the Government of the United States or any employee on the staff of an elected officer in the legislative branch of the Government of the United States if such employee is a bona fide resident of the State of residence of such elected officer, or any officer of the executive branch of such Government whose appointment to the office held by him was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States, unless such officers are domiciled within the District on the last day of the taxable year."

61 Stat. 333.  
D. C. Code, Supp.  
VII, § 47-1551c (u).

SEC. 402. Paragraph lettered (u) of section 4 of title I of article I of said Act is amended by adding thereto the following new subparagraph:

"(9) The spouse of the taxpayer, if living with the taxpayer on the last day of the taxable year."

61 Stat. 335.  
D. C. Code, Supp.  
VII, § 47-1557a.  
Post, p. 133.

SEC. 403. Section 2 of the title III of article I of said Act is amended by adding thereto the following new subsection:

"(c) ADJUSTED GROSS INCOME.—The words 'adjusted gross income' as used in this article mean gross income less deductions allowed under section 3 (a) of this title: *Provided, however*, That such deductions were directly incurred in carrying on a trade or business: *And provided further*, That in determining adjusted gross income, no deductions shall be allowed for charitable contributions, alimony payments, medical and dental expenses, an optional standard deduction, losses of property not connected with trade or business, or for an allowance for salaries or compensation for personal services of the person or persons liable for the tax."

61 Stat. 337.  
D. C. Code, Supp.  
VII, § 47-1557b (a).  
Post, p. 131.

SEC. 404. Section 3 (a) (1) of title III of article I of said Act is amended to read as follows:

"(1) EXPENSES.—All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business (except as otherwise provided herein), traveling expenses (including the entire amount expended for meals and lodging) while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity."

61 Stat. 337.  
D. C. Code, Supp.  
VII, § 47-1557b (a) (1).  
Business expenses.

SEC. 405. Section 3 (a) (4) (C) of title III of article I of said Act is amended to read as follows:

"(C) of property not connected with a trade or business, if such losses arise from fires, storms, shipwrecks, thefts, or other casualty: *Provided, however*, That no such loss shall be allowed as a deduction under this subsection if such loss is claimed as a deduction for inheritance—or estate—tax purposes: *And provided further*, That this subsection shall not be construed to permit the deduction of a loss of any capital asset as defined in this article."

61 Stat. 337.  
D. C. Code, Supp.  
VII, § 47-1557b (a) (4) (C).

## Restrictions.

SEC. 406. Section 3 (a) (8) of title III of article I of said Act is amended to read as follows:

"(8) CHARITABLE CONTRIBUTIONS.—Contributions or gifts, actually paid within the taxable year to or for the use of any religious, charitable, scientific, literary, military, or educational institution, the activities of which are carried on to a substantial extent in the District, and no part of the net income of which inures to the benefit of any private shareholder or individual: *Provided*, That such deduction shall be allowed only in an amount which in the aggregate of all such deductions does not exceed 15 per centum of the adjusted gross income."

61 Stat. 338.  
D. C. Code, Supp.  
VII, § 47-1557b (a) (8).

SEC. 407. Section 3 (a) (9) of title III of article I of said Act is amended to read as follows:

61 Stat. 338.  
D. C. Code, Supp.  
VII, § 47-1557b (a) (9).

“(9) **MEDICAL, DENTAL, AND SO FORTH, EXPENSES OF INDIVIDUALS.**—Expenses in the case of residents, paid by the taxpayer during the taxable year, not compensated for by insurance or otherwise, for the medical care of the taxpayer, his spouse, or dependents as defined in this article. The term ‘medical care’, as used in this subsection, shall include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of diseases, or for the purpose of effecting healthier function of the body (including amounts paid for accident or health insurance): *Provided, however*, That a taxpayer may deduct only such expenses as exceed 5 per centum of his adjusted gross income: *And provided further*, That the maximum deduction for the taxable year shall not exceed \$1,250.”

SEC. 408. Section 3 (a) (13) of title III of article I of said Act is amended to read as follows:

“(13) In lieu of the foregoing deductions, any resident may irrevocably elect to deduct for the taxable year an optional standard deduction of 10 per centum of the net income or \$500, whichever is lesser: *Provided, however*, That the option provided in this subsection shall not be permitted on any return filed for any period less than a full calendar or fiscal year.”

SEC. 409. Section 3 (a) of title III of article I of said Act is amended by adding thereto a new subsection to read as follows:

“(15) **REASONABLE ALLOWANCE FOR SALARIES.**—A reasonable allowance for salaries or other compensation for personal services actually rendered: *Provided, however*, That in the case of an unincorporated business the aggregate deduction for services rendered by the individual owners or members actively engaged in the conduct of the unincorporated business shall in no event exceed 20 per centum of the net income of such business computed without benefit of this deduction: *Provided further*, That nothing herein contained shall be construed to exempt any salary or other compensation for personal services from taxation as a part of the taxable income of the person receiving the same.”

SEC. 410. Section 4 of title IV of article I of said Act is amended to read as follows:

“SEC. 4. **INSTALLMENT SALES.**—If a person reports any portion of his income from installment sales for Federal income-tax purposes under section 44 of the Federal Internal Revenue Code and as the same may hereafter be amended, and if such income is subject to tax under this article, he may report such income under this article in the same manner and upon the same basis as the same was reported by him for Federal income-tax purposes, if such method of reporting is accepted and approved by the Commissioner of Internal Revenue.”

SEC. 411. Subsections (a) and (b) of section 2 of title V of article I of said Act are amended to read as follows:

“(a) **RESIDENTS AND NONRESIDENTS.**—Every nonresident of the District receiving income subject to tax under this article and every resident of the District, except fiduciaries, when—

“(1) his gross income for the taxable year exceeds \$4,000; or

“(2) his gross sales or gross receipts from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, exceeds \$4,000, regardless of the amount of his gross income; or

“(3) the combined gross income for the taxable year of husband and wife living together exceeds \$4,000 and each spouse has a gross income in excess of \$500, or the gross sales or gross receipts received or accrued by such husband and wife from any trade or business, other than an unincorporated business subject to tax under title VIII of this article, in the aggregate exceeds

“Medical care.”

Deductions.

61 Stat. 338.  
D. C. Code, Supp.  
VII, § 47-1557b (a)  
(13).  
Optional standard  
deduction.

61 Stat. 337.  
D. C. Code, Supp.  
VII, § 47-1557b (a).

Restrictions.

61 Stat. 340.  
D. C. Code, Supp.  
VII, § 47-1561c.

53 Stat. 24.  
26 U. S. C. § 44.

61 Stat. 341.  
D. C. Code, Supp.  
VII, § 47-1564a (a), (b).

61 Stat. 345.  
D. C. Code, Supp.  
VII, §§ 47-1574 to 47-  
1574e.

\$4,000. In such cases a separate return shall be filed by each spouse showing his respective portion of such gross income, gross sales, or gross receipts as the case may be, and no joint return of income or computation thereof by them shall be required or permitted under this article except such returns as are required under section 2 (c), 2 (f), and 2 (g) of this title.

“(b) FIDUCIARIES.—Every fiduciary (except a receiver appointed by authority of law in possession of part only of the property of an individual) for—

“(1) every individual for whom he acts having a gross income for the taxable year of \$4,000 or over, regardless of the amount of the individual's net income;

“(2) every estate for which he acts, the gross income of which for the taxable year is \$4,000 or over, regardless of the amount of the net income of the estate; and

“(3) every trust for which he acts, the net income of which for the taxable year is \$100 or over.”

61 Stat. 343.  
D. C. Code, Supp.  
VII, § 47-1567a.

SEC. 412. Section 2 of title VI of article I of said Act is hereby amended to read as follows:

“SEC. 2. PERSONAL EXEMPTIONS AND CREDIT FOR DEPENDENTS.—There shall be allowed to residents the following credits against net income:

“(a) An exemption of \$4,000 for the taxpayer.

“(b) An exemption of \$500 for each dependent, as defined in this article, whose gross income for the calendar year in which the taxable year of the taxpayer begins is less than \$500.

“(c) Beginning with the first taxable year to which this article is applicable and in succeeding taxable years, the amount allowed under subsection (a) of this section shall be prorated to the day of death in the final return of a decedent dying before the end of the taxable year, and as of the date of death the personal exemption is terminated and not extended over the remainder of the taxable year.

Fractional year.

“(d) In the case of a return made for a fractional part of a year, the personal exemption and credits for dependents shall be reduced, respectively, to amounts which bear the same ratio to the full credits provided as the number of months in the period for which the return is made bears to twelve months.”

61 Stat. 344.  
D. C. Code, Supp.  
VII, § 47-1567b.

SEC. 413. Section 3 of title VI of article I of said Act is amended to read as follows:

“SEC. 3. IMPOSITION AND RATE OF TAX.—There is hereby annually levied and imposed for each taxable year upon the taxable income of every resident a tax at the following rates:

“One and one-half per centum on the first \$5,000 of taxable income.

“Two per centum on the next \$5,000 of taxable income.

“Two and one-half per centum on the next \$5,000 of taxable income.

“Three per centum on the taxable income in excess of \$15,000.”

61 Stat. 344.  
D. C. Code, Supp.  
VII, § 47-1567c.

SEC. 414. Section 4 of title VI of article I of said Act is repealed.

61 Stat. 347.  
D. C. Code, Supp.  
VII, § 47-1577d.

SEC. 415. Section 5 of title IX of article I of said Act is amended by adding thereto the following new subsections:

“(d) There shall be allowed to an estate the same exemption as is allowed residents under the provisions of section 2 (a) of title VI of this article.

61 Stat. 343.  
D. C. Code, Supp.  
VII, § 47-1567a (a).  
*Supra.*

“(e) There shall be allowed to a trust a credit against net income of \$100.”

61 Stat. 346.  
D. C. Code, Supp.  
VII, § 47-1574c.

SEC. 416. Section 4 of title VIII of article I of said Act is amended by striking out the figure “\$10,000” and inserting in lieu thereof the figure “\$5,000”.

61 Stat. 354.  
D. C. Code, Supp.  
VII, § 47-1586i (a) (4).

SEC. 417. Section 10 (a) (4) of title XII of article I of said Act is amended to read as follows:

"(4) For the purposes of subsections (a) (1), (a) (2), and (a) (3), a return filed before the last day prescribed by law for the filing thereof shall be considered as filed on such last day."

SEC. 418. The proviso to section 11 of title XII of article I of said Act is amended to read as follows: "*Provided*, That if it shall be determined by the Assessor, the Board of Tax Appeals for the District of Columbia, or any court that any part of any tax which was assessed as a deficiency under the provisions of section 5 of this title was an overpayment, interest shall be allowed and paid upon such overpayment of tax at the rate of 4 per centum per annum from the date such overpayment was paid until the date of refund, and in addition thereto any interest upon such overpayment which was paid by the taxpayer shall be refunded."

61 Stat. 355.  
D. C. Code, Supp.  
VII, § 47-1586j.

61 Stat. 352.  
D. C. Code, Supp.  
VII, § 47-1586d.

SEC. 419. Section 1 of title XIV of article I of said Act is amended by striking out the period at the end of the paragraph, inserting a colon, and the following: "*Provided, however*, That any unincorporated business having a gross income for the taxable year of \$5,000 or less shall not be required to obtain the license provided for in this title."

61 Stat. 357.  
D. C. Code, Supp.  
VII, § 47-1591.

SEC. 420. Section 2 (b) of title III of article I of said Act is amended by adding thereto the following new paragraph:

61 Stat. 335.  
D. C. Code, Supp.  
VII, § 47-1557a (b).

"(14) Dues and initiation fees in the case of any club organized and operated exclusively for pleasure and recreation, no part of the net earnings of which inures to the benefit of any private individual or shareholder. As used in this subsection, the word 'dues' means only sums paid or incurred by members on a monthly, quarterly, annual, or other periodic basis for the privilege of being members of such club and any pro rata assessment made against the members as such; the word 'dues' does not include any sums paid or incurred by members or their guests for food, beverages, or other tangible personal property purchased or for the use of the club's social, athletic, sporting, and other facilities; and the term 'initiation fees' includes any payment, contribution, or loan, required as a condition precedent to membership, whether or not any such payment, contribution, or loan is evidenced by a certificate of interest or indebtedness."

"Dues."

SEC. 421. The provisions of sections 401, 402, 408, 411, 412, 413, and 414 of this title shall be applicable to taxable years beginning after the 31st day of December 1949, and the provisions of all other sections shall be applicable to taxable years or portions thereof beginning after the 31st day of December 1948.

*Ante*, pp. 129-132.  
Effective dates.

## TITLE V—AMENDMENTS TO THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT, APPROVED JANUARY 24, 1934, AS AMENDED

SECTION 501. Section 11 of the District of Columbia Alcoholic Beverage Control Act, approved January 24, 1934, as amended, is hereby further amended as follows:

48 Stat. 324.  
D. C. Code § 25-111.

(a) The next to the last sentence of subsection (a) of said section is amended to read as follows: "The annual fee for such license for a rectifying plant shall be \$5,775; for a distillery shall be \$5,775; and for a winery shall be \$825: *Provided, however*, That if a manufacturer shall operate a distillery only for the manufacture of alcohol and more than 50 per centum of such alcohol is sold for nonbeverage purposes, the annual fee shall be \$1,650."

(b) The figure "\$2,500" appearing in the last sentence of subsection (b) of said section is stricken out and the figure "\$4,125" is inserted in lieu thereof.

48 Stat. 324.  
D. C. Code § 25-111  
(b).

48 Stat. 325.  
D. C. Code § 25-111  
(c).

(c) The figure "\$1,500" appearing in the last sentence of subsection (c) of said section is stricken out and the figure "\$2,475" is inserted in lieu thereof.

48 Stat. 325.  
D. C. Code § 25-111  
(d).

(d) The figure "\$750" appearing in the last sentence of subsection (d) of said section is stricken out and the figure "\$1,250" is inserted in lieu thereof.

48 Stat. 325.  
D. C. Code § 25-111  
(e).

(e) The figure "\$750" appearing in the last sentence of subsection (e) of said section is stricken out and the figure "\$1,250" is inserted in lieu thereof.

48 Stat. 325.  
D. C. Code § 25-111  
(f).

(f) The figure "\$100" appearing in the last sentence of subsection (f) of said section is stricken out and the figure "\$165" is inserted in lieu thereof.

48 Stat. 326.  
D. C. Code § 25-111  
(g).

(g) The second paragraph of subsection (g) of said section is amended to read as follows:

License fees.

"The fee for such a license shall be for a restaurant, \$825 per annum; for a hotel, under one hundred rooms, \$825 per annum; for a hotel of one hundred or more rooms, \$1,650 per annum; for a club, \$425 per annum; for a marine vessel serving meals in interstate commerce of one hundred miles or more and for each railroad dining car or club car, \$3 per month, or \$20 per annum: *Provided*, That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of \$100; for all other passenger-carrying marine vessels serving meals, \$75 per month or \$825 per annum."

48 Stat. 326.  
D. C. Code § 25-111  
(h).

(h) The second paragraph of subsection (h) of said section is amended to read as follows:

"The annual fee for such a license shall be \$330; except that in the case of a marine vessel the fee shall be \$30 per month or \$330 per annum, and in the case of each railroad dining car or club car \$15.00 per month or \$15 per annum: *Provided*, That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of \$50."

48 Stat. 326.  
D. C. Code § 25-111  
(i).

(i) The figure "\$25" appearing in the last sentence of subsection (i) of said section is stricken out and the figure "\$40" is inserted in lieu thereof.

48 Stat. 326.  
D. C. Code § 25-111  
(j).

(j) The figure "\$5" appearing in the last sentence of subsection (j) of said section is stricken out and the figure "\$7.50" is inserted in lieu thereof.

48 Stat. 327.  
D. C. Code § 25-111  
(k).

(k) Subsection (k) of said section is amended to read as follows:  
"(k) SOLICITOR'S LICENSE.—Such a license shall authorize the licensee to offer for sale to or solicit orders from licensees for the sale of any beverage on behalf of the vendor whose name appears upon such license and whom the solicitor represents. The name of only one vendor shall appear upon the license but if a solicitor represents more than one vendor a license may be issued such solicitor for each vendor such solicitor represents.

"The annual fee for each such license shall be \$100.

"Nothing in this Act shall be construed as repealing any portion of section 7 of the District of Columbia Appropriation Act for the fiscal year ending June 30, 1903, approved July 1, 1902, as amended."

32 Stat. 622.  
D. C. Code § 47-2301.

SEC. 502. Notwithstanding the provisions of this Act, where prior to the effective date of this Act a solicitor's license has been issued which sets forth the name of more than one vendor the solicitor may continue to offer for sale or to solicit orders from licensees for the sale of any beverage on behalf of any vendor named in such license until the expiration of such license.

SEC. 503. The figure "\$25" appearing in section 16 of said Act is stricken out and the figure "\$100" is inserted in lieu thereof.

SEC. 504. Section 14 of the Act entitled "An Act to establish a program for the rehabilitation of alcoholics, promote temperance, and provide for the medical and scientific treatment of persons found to be alcoholics by the courts of the District of Columbia, and for other purposes", approved August 4, 1947, is amended to read as follows:

"SEC. 14. Six per centum of the annual fees for licenses for the manufacture or sale of alcoholic beverages, except for retailer's license, class E, imposed by section 11 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby permanently appropriated to carry out the purposes of this Act."

SEC. 505. Subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act, as amended, is further amended to read as follows:

"SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this Act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided:

"(1) A tax of 15 cents on every wine-gallon of wine containing more than 14 per centum of alcohol by volume, except champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (2) a tax of 22½ cents on every wine-gallon of champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (3) a tax of 75 cents on every wine-gallon of spirits and a proportionate tax at a like rate on all fractional parts of such gallon; (4) and a tax of \$1.25 on every wine-gallon of alcohol and a proportionate tax at a like rate on all fractional parts of such gallon."

SEC. 506. Within ten days after the effective date of this title, every holder of a retailer's license under said District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners of the District of Columbia showing the number of each kind and denomination of stamps denoting the payment of beverage taxes held or possessed by such licensee or anyone for him on the day on which this title becomes effective, or on the following day if the effective date be a Sunday, other than stamps affixed to the containers of beverages manufactured in or imported into the District of Columbia prior to the effective date of this title, and shall, within fifteen days after the effective date of this title, pay to the Collector of Taxes the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by the Alcoholic Beverage Control Act as amended by this title, represented by such stamps.

SEC. 507. Within ten days after the effective date of this title, every holder of a manufacturer's license, class A, and every holder of a wholesaler's license under the District of Columbia Alcoholic Beverage Control Act shall file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners showing the amount and kind of all beverages, except (1) beer, (2) wine containing 14 per centum or less of alcohol by volume

48 Stat. 330.  
D. C. Code § 25-117.

61 Stat. 746.  
D. C. Code, Supp.  
VII, § 25-111a.

48 Stat. 326.  
D. C. Code § 25-111  
(1).  
*Ante*, p. 134.

48 Stat. 332.  
D. C. Code § 25-124  
(a).

Tax rates.

48 Stat. 319.  
D. C. Code §§ 25-  
101 to 25-138.

48 Stat. 319.  
D. C. Code §§ 25-  
101 to 25-138.



other than champagne and wine artificially carbonated, and (3) beverages upon which required stamps have been affixed, held, or possessed by him in the District of Columbia at the beginning of the day this title becomes effective and shall state the number of each kind and denomination of stamps necessary for the stamping of such beverages so held or possessed. Every such licensee, within ten days after the effective date of this title, shall also file with the Alcoholic Beverage Control Board a sworn statement on a form to be prescribed by the Commissioners of the District of Columbia showing the number of each kind and denomination of stamps denoting the payment of beverage taxes held or possessed by such licensee or anyone for him at the beginning of the day on which this title becomes effective, other than stamps affixed to the containers of beverages manufactured in or imported into the District of Columbia prior to the effective date of this title. Every such licensee shall within fifteen days after the effective date of this title pay to the Collector of Taxes for all stamps not necessary for the stamping of beverages shown on the sworn statement hereinbefore required to be filed with the Alcoholic Beverage Control Board the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by the Alcoholic Beverage Control Act, as amended by this title, represented by such stamps. Should the number of any kind or denomination of stamps so held by a licensee be less than the number necessary for the stamping of the beverages shown on said sworn statement, the Collector of Taxes is authorized and directed to sell to such licensee, at the rates prescribed for such stamps prior to the effective date of this title, such stamps as may be necessary for the stamping of such beverages. In the event any of the beverages shown on said sworn statement are sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under the Alcoholic Beverage Control Act, such sale shall, within ten days thereafter, be reported to the Alcoholic Beverage Control Board and within said ten days such licensee shall pay to the Collector of Taxes on all stamps held by him for the stamping of such beverages the difference between the amount of tax represented by such stamps at the time of purchase from the Collector of Taxes and the amount of tax imposed by the Alcoholic Beverage Control Act, as amended by this title, represented by such stamps.

48 Stat. 319.  
D. C. Code §§ 25-  
101 to 25-138.

52 Stat. 376.  
D. C. Code § 25-138  
(a).

Effective date.

SEC. 508. Subsection (a) of section 40 of said Act (sec. 25-138, D. C. Code, 1940), as amended is hereby further amended by striking out the figures and word "50 cents" and inserting in lieu thereof the figures "\$1".

SEC. 509. The provisions of this title shall become effective on the first day of the first month succeeding the sixtieth day after the approval of this Act.

District of Colum-  
bia Cigarette Tax Act.

## TITLE VI—CIGARETTE TAX

SECTION 601. This title divided into sections and subsections may be cited as the "District of Columbia Cigarette Tax Act".

SEC. 602. DEFINITIONS.—As used in and for the purposes of this title, unless the context indicates otherwise:

"Cigarette."

(a) The word "cigarette" shall mean any roll of tobacco, or any substitute therefor, wrapped in paper or in any substance other than tobacco.

"Person."

(b) The word "person" shall mean any individual, partnership, corporation, association, receiver, executor, administrator, trustee, conservator, or other representative appointed by order of any court.

"District."

(c) The word "District" shall mean the District of Columbia.

(d) The word "Commissioners" shall mean the Commissioners of the District of Columbia.

"Commissioners."

(e) The words "designated District agency" shall mean any officer, employee, department, office, or agency in or under the municipal government of the District of Columbia who or which is designated by the Commissioners to perform a function or duty under the terms and provisions of this Act.

"Designated District agency."

(f) The word "sell" or "sale" shall include offering for sale, keeping for sale, bartering, trafficking in, peddling, and any transfer or exchange in any manner or by any means for a consideration.

"Sell"; "sale."

(g) The term "original package" shall mean the individual package, parcel, or other container in which cigarettes are put up by the manufacturer to which is affixed the required United States Government Internal Revenue stamp, and the Commissioners may, by regulation, include within this definition any wrapper immediately enclosing such package, parcel, or other container.

"Original package."

(h) The word "stamp" shall include impressions made by metering machines authorized to be used under the provisions of this title.

"Stamp."

SEC. 603. IMPOSITION OF TAX.—(a) There shall be levied, collected, and paid on all cigarettes sold in the District by licensed wholesalers, licensed retailers, or by licensed vending-machine operators, to consumers, a tax at the rate of 1 cent on each twenty cigarettes or fractional part thereof, such tax to be levied, collected, and paid once only on cigarettes sold as aforesaid.

(b) Said tax shall be collected by and paid to the Collector of Taxes of the District and shall be deposited in the Treasury of the United States to the credit of the District.

(c) Said tax shall be collected and paid by the affixture of a stamp or stamps secured from the Collector of Taxes, denoting the payment of the amount of the tax imposed by this title upon such cigarettes, each such affixture to be on the original package, unless the Commissioners shall by regulation permit otherwise. Cancellation of such stamps shall be in the manner prescribed by regulation approved by the Commissioners.

(d) The Collector of Taxes shall furnish suitable stamps, to be prescribed by the Commissioners, denoting the payment of the tax imposed by this title and shall by the sale of such stamps at the amounts indicated on the faces thereof cause the said taxes to be collected.

(e) If at the time of acquisition of original packages by licensed retailers or by licensed vending-machine operators such original packages do not have affixed thereto the stamp or stamps denoting payment of the tax imposed by this title it shall be the duty of each such retailer and vending-machine operator to affix to each such original package such stamp or stamps before selling or delivering cigarettes to consumers and before removing or permitting the removal of cigarettes from the licensed premises or licensed vending machines of such retailers or operators for delivery to consumers.

(f) No person shall use or cause to be used for the payment of the tax imposed by this title a stamp already theretofore used for the payment of any such tax.

Penalty.

(g) Any person who shall counterfeit or forge any stamp required or authorized by this title shall, upon conviction, be subject to a fine not exceeding \$5,000 or to imprisonment of not more than two years, or to both such fine and imprisonment.

(h) The Commissioners are authorized by regulation to permit licensees to pay the tax imposed by this title by the method of imprinting impressions upon original packages by the use of metering devices in lieu of the method of paying such tax by the affixture of stamps: *Provided*, That the Collector of Taxes shall control the use of such

metering devices. In addition to their usual meanings the terms "affix stamp", "affixture of stamp or stamps", and like terms shall mean and include the imprinting of impressions denoting payment of the tax imposed by this title as authorized by this section.

(i) Stamps may be purchased only by licensed wholesalers, by licensed retailers, and by licensed vending-machine operators. Discount from face value of such stamps at a rate not to exceed 10 per centum may be allowed under such terms and conditions as the Commissioners may by regulation prescribe.

SEC. 604. No person shall within the District of Columbia, manufacture for sale, keep for sale, sell, or offer to sell cigarettes, or display cigarettes for sale in vending machines, without having first obtained a license or licenses under this title for such purpose or purposes.

SEC. 605. The designated District agency is authorized to issue licenses to individuals, partnerships, or corporations, but not to unincorporated associations, on application duly made therefor for the manufacture or sale of cigarettes within the District of Columbia. The designated District agency shall keep a full and complete record of all applications for licenses and of action taken thereon.

SEC. 606. Licenses shall be of three kinds, namely:

A. **RETAILER'S LICENSE.**—Such a license shall authorize the holder thereof to keep for sale and to sell cigarettes to consumers, from the place therein designated and to deliver such cigarettes to consumers in original packages: *Provided*, That cigarettes may be sold in number less than the number contained in the original package if such sales be permitted by regulations approved by the Commissioners. A separate license shall be required for each such place or establishment. Such a license shall not authorize the licensee to sell to other licensees for resale.

The annual fee for such license shall be fixed by the Commissioners at a rate not to exceed \$5 for each retail establishment.

B. **VENDING MACHINE OPERATOR'S LICENSE.**—Such a license shall authorize the holder thereof to sell or offer to sell cigarettes from or by means of vending machines located in the place or places described therein. The Commissioners may by regulation require that a separate license be obtained for each machine or may permit a blanket license for one or more machines and may also prescribe that evidence of licensing of such machines be attached to each such machine by means of markers, stickers, or otherwise. The annual fee for such a license shall be fixed by the Commissioners at a rate not to exceed \$5 for each and every such machine.

C. **WHOLESALER'S LICENSE.**—(1) Such a license shall authorize the holder thereof to manufacture or to purchase or otherwise to acquire and to sell cigarettes in original packages to any person holding a license under this title as wholesaler, retailer, or vending-machine operator, or to consumers.

(2) Such a licensee may at his election purchase from the Collector of Taxes and affix to original packages stamps denoting payment of the tax imposed by this title and, upon delivery to a vendee licensed under this title, of such original packages with such stamps properly affixed may add to the selling price of such cigarettes an amount equal to the face value of such stamps and collect such amount from such vendee. If a wholesaler licensed hereunder shall sell cigarettes to consumers, it shall be the duty of such wholesaler prior to the sale and delivery of such cigarettes to affix to the original packages the stamp or stamps denoting the payment of the tax imposed by this title.

(3) A license as wholesaler shall authorize the holder thereof to manufacture at and to sell cigarettes from the place or places in the District therein designated. The Commissioners are empowered in

their discretion to authorize, by regulation and upon such terms and conditions as they may require, the issuance of such a license for a place outside the District. A separate license shall be required for each such place within or without the District.

The annual fee for each such license shall be fixed by the Commissioners at a rate not to exceed \$50.

SEC. 607. Licenses issued under authority of this title shall remain in effect for periods as may be fixed by regulation approved by the Commissioners, not exceeding one year from the effective date of such licenses or unless revoked prior to their expiration.

Licenses issued under this title may be suspended or revoked for any violation of this title or the regulations issued thereunder, by the Commissioners or by a designated District agency, after hearing held by a designated District agency.

SEC. 608. The taxes imposed and the licenses required by this title shall be in addition to the taxes imposed and the licenses required by any other Act.

SEC. 609. This title shall be administered by designated District agencies except where specific duties are imposed upon specific officers by the terms hereof. The Commissioners are authorized to make rules and regulations to carry out the provisions of this title.

SEC. 610. The Commissioners are authorized to employ personal services in accordance with the Classification Act of 1923, as amended, and to incur such other expenses as may be necessary to carry out the provisions of this title and to include such amounts in their annual estimates.

SEC. 611. Whoever violates any provision of this title for which no specific penalty is provided, or any of the rules and regulations promulgated under the authority of this title, shall be punished by a fine of not more than \$1,000 or by imprisonment for not longer than one year, or by both such fine and imprisonment, in the discretion of the court. Prosecutions for violations of this title shall be on information filed in the municipal court for the District of Columbia by the Corporation Counsel or any of his Assistants, except for such violations as are felonies, and prosecutions for such violations as are felonies shall be by the United States Attorney in and for the District of Columbia, or any of his Assistants.

SEC. 612. Nothing in this title shall be construed as repealing any portion of section 7 of the District of Columbia Appropriation Act for the fiscal year ending June 30, 1903, approved July 1, 1902, as amended.

SEC. 613. EFFECTIVE DATE.—The provisions of this title shall take effect on the first day of the first month succeeding the sixtieth day after the approval of this Act.

Period of license.

Rules and regulations.

42 Stat. 1488.  
5 U. S. C. §§ 661-674;  
Supp. II, § 662 *et seq.*  
*Post*, p. 972.

Penalty.

32 Stat. 622.  
D. C. Code § 47-2301.

## TITLE VII—INCREASE IN RATE OF TAXATION ON REAL PROPERTY

SECTION 701. For the fiscal year ending June 30, 1950, the rate of taxation on real property in the District of Columbia shall not be less than 2.15 per centum on the assessed value of such property.

## TITLE VIII—SEPARABILITY CAUSE

SECTION 801. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act, and the application of such provision to the other persons or circumstances, shall not be affected thereby.

Approved May 27, 1949.